

the Exchange Act periodic and current reporting requirements.<sup>65</sup> We also make a conforming change to § 16.6 by deleting the reference to § 16.20 in that section.

As noted in the preamble to our proposal, this change will not significantly diminish financial information about a bank that will be available to investors, as updated financial information, including the bank's most recent balance sheet and statement of income filed with the OCC as part of the bank's most recent Consolidated Report of Condition (Call Report), is publicly available to investors. This change also will have no effect on the requirement under the OCC's Exchange Act disclosure rule at 12 CFR part 11 that a national bank whose securities are registered under section 12(b) or 12(g) of the Exchange Act must file current and periodic reports that conform to section 13 of the Exchange Act.

#### *Part 19—Rules of Practice and Procedure*

The FSRRA made several changes affecting the OCC's exercise of its enforcement authority pursuant to section 8 of the FDI Act<sup>66</sup> and our proposed rule amended part 19 to reflect these changes. We also proposed to update the titles of OCC officials referenced in §§ 19.111 and 19.112 and to eliminate the applicability of part 19 to DC banks by deleting a reference to DC banks in the definition of "institution" in § 19.3(g) and in the scope section of subpart P, § 19.241, which relates to the removal, suspension, and debarment of accountants from performing audit services. No commenter discussed these amendments, and we adopt them as proposed, with two technical amendments, as discussed below.

More specifically, section 303 of the FSRRA changed the procedures for issuing orders of suspension, removal or prohibition against institution-affiliated parties (IAPs) of national banks. Previously, section 8(e)(4) of the FDI Act 12 U.S.C. 1818(e)(4) required that, following proceedings before an administrative law judge, the determination whether to issue such orders would be made by the Federal Reserve Board. Section 303 of the FSRRA repealed that requirement, so that the OCC now has the authority to issue such orders, as it does with respect to other types of orders resulting from an OCC-initiated enforcement

action. Our final rule amends § 19.100, pertaining to OCC adjudications, to reflect this change in the law.

Section 8(g) of the FDI Act pertains to the suspension, removal, or prohibition of an IAP when the IAP is the subject of an information, indictment, or complaint involving certain crimes set forth in the statute or when the IAP has been convicted of such a crime.<sup>67</sup> Section 708 of the FSRRA revised the statutory grounds that warrant suspension, removal or prohibition of an IAP from further participation in the conduct of the affairs of a depository institution, including a national bank, in such a case. Section 708 also clarified that, if grounds exist, an appropriate Federal banking agency, including the OCC, may suspend or prohibit the IAP from participating in the affairs of any depository institution, and not only the institution with which the party is, or was last, affiliated. The amendment further clarified that this authority applies even if the IAP is no longer associated with the depository institution at which the offense allegedly occurred or if the depository institution with which the IAP was affiliated no longer exists. The final rule amends §§ 19.110, and 19.111, and 19.113 to conform to these amendments. We also have made a technical correction to our amendment to § 19.111, adding back in language inadvertently removed from our current rule relating to the time period allowed for an institution-affiliated party to request a hearing. In addition, the final rule includes a technical amendment to both §§ 19.110 and 19.111 not included in the proposed rule. Specifically, we are inserting the phrase "pursuant to 12 U.S.C. 1818(g)" in these two paragraphs to clarify that these provisions provide procedures for suspensions and removals of institution-affiliated parties charged with a felony.

#### *Part 21—Minimum Security Devices and Procedures, Reports of Suspicious Activities, and Bank Secrecy Act Compliance Program*

Part 21 consists of three subparts. Subpart A requires each bank to adopt appropriate security procedures to discourage robberies, burglaries, and larcenies and to assist in identifying and apprehending persons who commit such acts. Subpart B ensures that national banks file a Suspicious Activity Report when they detect a known or suspected violation of Federal law or a suspicious transaction related to a money laundering activity or a violation of the Bank Secrecy Act. Subpart C

requires that all national banks establish and maintain procedures reasonably designed to assure and monitor their compliance with the requirements of the Bank Secrecy Act and its implementing regulations.

As in the proposed rule, the final rule removes references to DC banks in the scope section of part 21 to clarify that part 21 no longer applies to DC banks, pursuant to the DC Bank Act.

#### *Part 22—Loans in Areas Having Special Flood Hazards*

Part 22 applies to loans secured by buildings or mobile homes located or to be located in areas subject to special flood hazards. It implements the requirements of the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973. As in the proposed rule, this final rule eliminates the applicability of part 22 to DC banks by removing DC banks from the definition of "bank" in § 22.2(b).

#### *Part 23—Leasing*

Part 23 contains the standards for personal property lease financing transactions authorized for national banks. Section 23.6 applies the lending limits of 12 U.S.C. 84 or, if the lessee is an affiliate of the bank, the restrictions on transactions with affiliates prescribed by 12 U.S.C. 371c and 371c-1 to these lease transactions. The proposal added to § 23.6 cross-references to the Federal Reserve Board's Regulation W, 12 CFR part 223, which implements 12 U.S.C. 371c and 371c-1. We proposed this change because Regulation W contains new provisions that do not appear in 12 U.S.C. 371c and 371c-1. In addition, Regulation W contains a definition of the term "affiliate" that is broader than the definition that appears in § 371c and § 371c-1. The proposal also added to § 23.6 a cross-reference to 12 CFR part 32, which implements 12 U.S.C. 84, for consistency in reader reference. We adopt these amendments as proposed, with minor corrections to the regulatory text.

#### *Part 24—Community Development Investments*

The FSRRA made a number of changes to section 24 (Eleventh), the authorizing statute for 12 CFR part 24. Prior to its amendment by the FSRRA, 12 U.S.C. 24 (Eleventh) authorized a national bank to "make investments designed primarily to promote the public welfare, including the welfare of low- and moderate-income communities or families (such as by providing housing, services, or jobs)" (the public welfare test). A national bank could

<sup>65</sup> See Exchange Act § 12(i), 15 U.S.C. 78l(i) and 12 CFR part 11.

<sup>66</sup> 12 U.S.C. 1818.

<sup>67</sup> *Id.* at 1818(g).

"make such investments directly or by purchasing interests in an entity primarily engaged in making such investments." The FSRRA narrowed the grant of authority in section 24 (Eleventh) by providing that a national bank may "make investments, directly or indirectly, each of which promotes the public welfare by benefiting primarily low- and moderate-income communities or families (such as by providing housing, services, or jobs)." The FSRRA also revised section 24 (Eleventh) to state explicitly that the authority to make public welfare investments applies to investments made by a national bank directly and by its subsidiaries.<sup>68</sup> In addition, the FSRRA raised the maximum aggregate outstanding investment limit under section 24 (Eleventh) from 10 to 15 percent of the bank's unimpaired capital and surplus.

The proposal revised part 24 to conform to these changes. In addition, the proposal made changes to the procedure that applies when a national bank requests OCC approval to exceed the investment limit, and made a number of conforming and technical changes to part 24. The commenters did not address these amendments to part 24. We therefore adopt them in the final rule as proposed, with the exception of § 24.2(c) in which we correct a drafting error. These amendments are described below.

#### Definition of "Community and Economic Development Entity" (CEDE) (§ 24.2(c))

The final rule amends the definition of a CEDE in § 24.2(c) to implement the FSRRA change to the public welfare test. Paragraph (c) now defines a CEDE as "an entity that makes investments or conducts activities that promote the public welfare by benefiting primarily low- and moderate-income areas or individuals". We also have made a technical correction to the **Federal Register** formatting instructions, which in the proposed rule had inadvertently removed the remaining part of this definition that contained a non-exclusive list of examples of the types of entities that may be CEDEs. The final rule replaces this text.

#### Definition of "Benefiting Primarily Low- and Moderate-Income Areas or Individuals" (§ 24.2(g))

As indicated above, 12 U.S.C. 24 (Eleventh) now authorizes a national bank and its subsidiaries to make investments that promote the public welfare by "benefiting primarily" low-

and moderate-income areas or individuals. The final rule defines "benefiting primarily low and moderate-income areas or individuals" when used to describe an investment to mean that: (1) A majority (more than 50 percent) of the investment benefits low- and moderate-income areas or individuals; or (2) the express, primary purpose of the investment (evidenced, for example, by government eligibility requirements) is to benefit "low- and moderate-income areas or individuals." As we noted in the preamble to the proposed rule, this definition is consistent with the way in which the OCC and the other Federal banking agencies have construed the concept of "primary" in the phrase "primary purpose" for community development activities pursuant to the CRA rules.<sup>69</sup>

#### Public Welfare Investments (5524.3, 24.1)

The final rule revises § 24.3, which contains the authorization to make investments pursuant to section 24 (Eleventh), to conform with the changes made by the FSRRA. The final rule also adds a new § 24.1(e) to clarify that investments made, or written commitments to make investments entered into, before the enactment of the FSRRA continue to be subject to the statutes and regulations in effect prior to October 13, 2006.<sup>70</sup>

#### Investment Limits (§ 24.4)

The final rule revises § 24.4(a) to implement the statutory change to the aggregate investment limit in section 24 (Eleventh) from 10 to 15 percent of unimpaired capital and surplus.

#### After-the-Fact Notice and Prior Approval Procedures (5524.5)

The final rule modifies the procedure that applies when a national bank requests OCC approval to exceed the investment limit. The current rule permits a national bank's aggregate outstanding investments to exceed 5 percent of its capital and surplus if the bank is well capitalized and the OCC determines, by written approval of a bank's proposed investment pursuant to

the procedures set out at § 24.5(b), that a higher amount will pose no significant risk to the deposit insurance fund. Section 24.5(b) describes the application process that is required for the OCC's prior approval of an investment when a bank does not satisfy the requirements for using an after-the-fact notice. Thus, the investment limits provision in current § 24.4(a) requires a national bank to submit a request to exceed the 5 percent limit together with a specific investment proposal, and to use the prior approval procedures for that investment proposal.

As indicated in the preamble to the proposed rule, this particular prior approval procedure is not required by the statute and the OCC has determined that the burden it imposes is not warranted in view of the low level of risk generally presented by the types of investments authorized pursuant to section 24 (Eleventh). Accordingly, the final rule removes the requirement that a national bank submit a specific investment proposal for prior approval under § 24.5(b) when it also seeks approval to exceed the 5 percent investment limit. In other words, under this new, simpler procedure, the bank is not required to tie its written request to exceed the 5 percent limit to a specific investment proposal. If the OCC provides written approval of the request, the bank may make investments above the 5 percent limit. However, as is the case for investments below the 5 percent limit, for each investment above the limit the bank would submit either an after-the-fact notice under § 24.5(a) if it satisfies the requirements for after-the-fact notice, or an application under § 25.4(b) if it does not. These revisions facilitate national banks' ability to plan their investment activity while enabling the OCC to monitor the bank's use of the part 24 authority on a case-by-case basis. Thus, revised § 24.4(a) permits a national bank's aggregate outstanding investments to exceed 5 percent of its capital and surplus, **provided that** the bank is at least adequately capitalized and the OCC determines, by written approval of a written request submitted by the bank, that a higher amount of investment will pose no significant risk to the deposit insurance fund.

#### Examples of Qualifying Public Welfare Investments (§ 24.6)

Current § 24.6 contains examples of qualifying public welfare investments. The final rule revises § 24.6 as necessary to reflect the revision of the statutory standard made by section 305 of the FSRRA. The final rule also makes conforming amendments to § 24.6 to clarify that the examples of qualifying

<sup>68</sup> FSRRA, § 305, 120 Stat. at 1970-71.

<sup>69</sup> See Interagency Questions and Answers Regarding Community Reinvestment, Q&A §§ 12(i) and 563e.12(h)-7, 66 FR 36620, 36627 (July 12, 2001) (explaining "primary purpose" for community development activities in the context of the CRA rules).

<sup>70</sup> See 152 Cong. Rec. H7586 (daily ed. Sept. 29, 2006) (colloquy between Chairman Oxley of the House Financial Services Committee and Ranking Member Frank) (explaining that the revised standard in section 24 [Eleventh] applies prospectively only and does not affect investments made, or written commitments to make investments that were entered into, prior to the enactment of the new standard).

public investments include investments that benefit primarily low- and moderate-income areas or individuals and that: (1) Finance minority- and women-owned small businesses or small farms; (2) provide technical assistance for minority- and women-owned small businesses; or (3) are made in minority- and women-owned depository institutions. As stated in the preamble to the final rule, the OCC expects these qualifying investments to be made in minority- and women-owned entities that conform to the ownership and control, profit and loss taking, and senior management representation requirements of the CRA's provision governing operation of branch facilities by minorities and women.<sup>71</sup> In addition, the final rule revises references to investments in "targeted redevelopment areas," which, after FSRRA, would be permissible only if they promote the public welfare by benefiting primarily low- and moderate-income areas or individuals. Finally, the final rule amends § 24.6(d)(1) to include investments that provide financial literacy as an additional example of a qualifying public welfare investment.

#### Technical Amendments

The final rule revises several sections of part 24 to eliminate language that is inconsistent or unnecessary in light of the revised statutory standard for community development investments and to make technical changes, including:

- A revision to § 24.2(f) that updates a cross-reference to the definitions of "low-income" and "moderate-income" in § 25.12.
- Amendments to § 24.5 that direct national banks to submit after-the-fact notices and investment proposals needing prior approval to the OCC's Community Affairs Department, instead of to the Director, Community Development Division, and that permit banks to submit these materials via e-mail, fax, or electronically through National BankNet, in addition to the mail. We also are correcting the format of a citation to 12 U.S.C. 24 (Eleventh) in paragraph (a)(1).
- An amendment to § 24.6(b)(2) that replaces the phrase "low- or moderate-income" with "low- and moderate-income," which is consistent with how that phrase appears throughout part 24.
- A conforming technical amendment

to § 24.6(d)(3) that would permit other public welfare investments, including investments of a type determined by the OCC to be permissible under the revisions to part 24. Grandfathered

investments that are subject to statutes and regulations in effect prior to October 13, 2006 would not be affected.

The proposal also revises Appendix 1 to part 24, the CD-1 National Bank Community Development (Part 24) Investments Form, to reflect the proposed changes to the regulation.

#### Part 26—Management Officials Interlocks

Part 26 implements the provisions of the Depository Institution Management Interlocks Act (Interlocks Act)<sup>72</sup> which generally prohibits a management official from serving two nonaffiliated depository organizations in situations where the management interlock likely would have an anticompetitive effect.<sup>73</sup> As in the proposal, this final rule amends part 26 by deleting the reference to DC banks in the scope section, § 26.1(c), deleting the definition of "District bank" in § 26.2(i), and deleting the reference to DC banks in the enforcement section, § 26.8.

#### Part 27—Fair Housing Home Loan Data System

Part 27 applies to activities of national banks and their subsidiaries that make home loans for the purpose of purchasing, construction-permanent financing, or refinancing of residential real property. As proposed, the final rule removes DC banks from the scope of part 27 in § 27.1(a) and the definition of "bank" in § 27.2(c).

#### Part 28—International Banking Activities

The proposed rule made three changes to part 28, which sets forth the OCC's rules on international banking activities of national banks. We received no comments on these changes and adopt them as proposed.

The first amendment makes a technical change to the definition of "limited Federal branch" in 12 CFR 28.11(s). Currently, this regulation defines a limited foreign branch as a Federal branch or agency that, pursuant to an agreement between the parent foreign bank and the FRB, may receive only those deposits permissible for an Edge corporation to receive. However,

<sup>72</sup> 12 U.S.C. 3201 *et seq.*

<sup>73</sup> Section 610 of the FSRRA raised the asset-size amount from \$20 million to \$50 million for small banks that are exempt under certain provisions of the Interlocks Act. Because the OCC's current substantive rules implementing the Interlocks Act were issued together with the other Federal banking agencies, the OCC has amended part 26 to reflect this FSRRA provision through a separate rulemaking conducted jointly with those agencies. The OCC and the other Federal banking agencies issued a final rule implementing this change on July 16, 2007. See 72 FR 38753.

this agreement is not required for a foreign bank to operate a limited Federal branch in the United States. Therefore, we are removing the unnecessary reference to this agreement from this definition. We note that this change does not in any manner affect the requirement in § 28.11(s) that a limited Federal branch licensed by the OCC may accept only those deposits that are permissible for an Edge corporation.

Second, we are making a technical change to part 28 with respect to the expedited time periods for processing applications by eligible foreign banks to establish or relocate an interstate Federal branch or agency. Current 12 CFR 28.12(e)(3) provides that an application by an eligible foreign bank to establish and operate a *de novo* interstate Federal branch or agency is conditionally approved as of the 30th day after the OCC receives the application unless the OCC notifies the bank otherwise. However, as noted in the preamble to the proposed rule, the OCC is finding that the expedited process in the current regulation is not allowing sufficient time for the 30-day comment period to expire and for consideration of the comments received. As a result, the OCC is routinely notifying the eligible banks that the time period is extended. The final rule amends § 28.12(e) to provide that all expedited approvals to establish or relocate a Federal branch or agency are approved as of the 15th day after the close of the applicable public comment period, or the 45th day after the filing is received by the OCC, whichever is later, unless the OCC notifies the bank otherwise. These are the same time frames that would apply under 12 CFR 5.20(f)(5) if a national bank were engaging in a similar transaction.

Finally, we are eliminating the applicability to DC banks of subpart C of part 28, which implements the International Lending Supervision Act of 1988 (12 U.S.C. 3901 *et seq.*). Specifically, the final rule eliminates the references to DC banks in the scope section, § 28.50(c), and in the definition of "banking institution", § 28.51(a).

#### Part 31—Extensions of Credit to Insiders and Transactions With Affiliates

Sections 23A and 23B of the Federal Reserve Act, as implemented by the Federal Reserve Board's Regulation W, impose quantitative and qualitative limitations on a bank's transactions with its "affiliates." Appendix A to part 31 of the OCC's rules contains two interpretations of section 23A pertaining to a national bank's transactions with an affiliate. One of these interpretations provides that a loan to an unaffiliated

<sup>71</sup> See 12 U.S.C. 2907(b)(1)–(3).

**§ 19.112 [Amended]**

■ 54. In § 19.112, amend paragraphs (a), (b), and (c) by removing the phrase "the District Deputy Comptroller or Administrator, the Deputy Comptroller for Multinational Banking, or the Deputy Comptroller or Director for Special Supervision," wherever it appears and adding in its place "the District Deputy Comptroller, the Senior Deputy Comptroller for Large Bank Supervision, the Senior Deputy Comptroller for Mid-Size/Community Bank Supervision, or the Deputy Comptroller for Special Supervision,".

**§ 19.113 [Amended]**

■ 55. In § 19.113, amend paragraph (c) by removing the phrase "the bank" and adding in its place "any depository institution".

■ 56. Revise § 19.241 to read as follows:

**§ 19.241 Scope.**

This subpart, which implements section 36(g)(4) of the Federal Deposit Insurance Act (FDI Act) (12 U.S.C. 1831m(g)(4)), provides rules and procedures for the removal, suspension, or debarment of independent public accountants and their accounting firms from performing independent audit and attestation services required by section 36 of the FDI Act (12 U.S.C. 1831m) for insured national banks and Federal branches and agencies of foreign banks.

**PART 21—MINIMUM SECURITY DEVICES AND PROCEDURES, REPORTS OF SUSPICIOUS ACTIVITIES, AND BANK SECRECY ACT COMPLIANCE PROGRAM**

■ 57. The authority citation for part 21 continues to read as follows:

**Authority:** 12 U.S.C. 93a, 1818, 1881–1884, and 3401–3422; 31 U.S.C. 5318.

■ 58. In § 21.1, revise the first sentence of paragraph (a) to read as follows:

**§ 21.1 Purpose and scope of subpart A of this part.**

(a) This subpart is issued by the Comptroller of the Currency pursuant to section 3 of the Bank Protection Act of 1968 (12 U.S.C. 1882) and is applicable to all national banking associations.

\* \* \* \* \*

**PART 22—LOANS IN AREAS HAVING SPECIAL FLOOD HAZARDS**

■ 59. The authority citation for part 22 continues to read as follows:

**Authority:** 12 U.S.C. 93a, 42 U.S.C. 4012a, 4104a, 4104b, 4106, and 4128.

■ 60. In § 22.2 revise paragraph (b) to read as follows:

**§ 22.2 Definitions.**

(b) *Bank* means a national bank.

**PART 23—LEASING**

■ 61. The authority citation for part 23 continues to read as follows:

**Authority:** 12 U.S.C. 1 *et. seq.*, 24 (Seventh), 24 (Tenth), and 93a.

**§ 23.6 [Amended]**

■ 62. Amend § 23.6 by:

■ a. Removing "A" at the beginning of the first sentence and adding "All" in its place;

■ b. Adding the phrase "and Regulation W, 12 CFR part 223" after "12 U.S.C.

371c and 371c–1" in the first sentence;

■ c. Adding the phrase "as implemented by Regulation W, 12 CFR part 223,"

before "as applicable" in the third

sentence;

■ d. Adding "as implemented by 12

CFR part 32," after "12 U.S.C. 84" in the first sentence; and

■ e. Adding "as implemented by part

32," after "12 U.S.C. 84," in the fourth

sentence.

**PART 24—COMMUNITY AND ECONOMIC DEVELOPMENT ENTITIES, COMMUNITY DEVELOPMENT PROJECTS, AND OTHER PUBLIC WELFARE INVESTMENTS**

■ 63. The authority citation for part 24 continues to read as follows:

**Authority:** 12 U.S.C. 24 (Eleventh), 93a, 481, and 1818.

■ 64. Amend § 24.1 by:

■ a. Removing in paragraph (a) the colon after the word "Authority" and adding a period in its place;

■ b. Revising paragraphs (b) and (d); and

■ c. Adding paragraph (e).

The revisions and addition read as follows:

**§ 24.1 Authority, purpose, and OMB control number.**

(b) *Purpose.* This part implements 12 U.S.C. 24 (Eleventh). It is the OCC's policy to encourage a national bank to make investments described in § 24.3, consistent with safety and soundness. This part provides the standards and procedures that apply to these investments.

(d) A national bank that makes loans or investments that are authorized under both 12 U.S.C. 24 (Eleventh) and other provisions of the Federal banking

laws may do so under such other provisions without regard to the provisions of 12 U.S.C. 24 (Eleventh) or this part.

(e) Investments made, or written commitments to make investments made, prior to October 13, 2006, pursuant to 12 U.S.C. 24 (Eleventh) and this part, continue to be subject to the statutes and regulations in effect prior to the enactment of the Financial Services Regulatory Relief Act of 2006 (Pub. L. 109–351).

■ 65. Amend § 24.2 by:

■ a. Revising the first sentence of paragraph (c);

■ b. Amending paragraph (f) by removing "12 CFR 25.12(n)" and adding "12 CFR 25.12(m)" in its place;

■ c. Redesignating paragraphs (g) through (i) as paragraphs (h) through (j), respectively; and

■ d. Adding new paragraph (g).

The revision and addition read as follows:

**§ 24.2 Definitions.**

\* \* \* \* \*

(c) *Community and economic development entity* (CEDE) means an entity that makes investments or conducts activities that promote the public welfare by benefiting primarily low- and moderate-income areas or individuals.

(g) *Benefiting primarily low- and moderate-income areas or individuals*, when used to describe an investment, means:

(1) A majority (more than 50 percent) of the investment benefits low- and moderate-income areas or individuals; or

(2) The express, primary purpose of the investment (evidenced, for example, by government eligibility requirements) is to benefit low- and moderate-income areas or individuals.

\* \* \* \* \*

■ 66. Revise § 24.3 to read as follows:

**§ 24.3 Public welfare investments.**

A national bank or national bank subsidiary may make an investment directly or indirectly under this part if the investment promotes the public welfare by benefiting primarily low- and moderate-income areas or individuals.

■ 67. Amend § 24.4 by:

■ a. Revising the first sentence in paragraph (a); and

■ b. Removing, in the second sentence of paragraph (a), "10" and adding "15" in its place.

The revision reads as follows:

**§ 24.4 Investment limits.**

(a) \* \* \* A national bank's aggregate outstanding investments under this part may not exceed 5 percent of its capital and surplus, unless the bank is at least adequately capitalized and the OCC determines, by written approval of a written request by the bank to exceed the 5 percent limit, that a higher amount of investments will not pose a significant risk to the deposit insurance fund. \* \* \*

\* \* \* \* \*

■ 68. Amend § 24.5 by:

- a. Amending paragraphs (a)(2) and (b)(1) by removing "Director, Community Development Division," and adding "Community Affairs Department," in its place;
- b. Adding a second sentence at the end of paragraph (a)(2);
- c. In paragraph (a)(5), removing "Community Development Division" where it appears in the first and second sentences and adding "Community Affairs Department" in its place; and
- d. Adding a new sentence after the first sentence in paragraph (b)(1).

The additions read as follows:

**§ 24.5 Public welfare investment after-the-fact notice and prior approval procedures.**

- (a) \* \* \*
- (2) \* \* \* The after-the-fact notification may also be e-mailed to *CommunityAffairs@occ.treas.gov*, faxed to (202) 874-4652, or provided

electronically via National BankNet at <http://www.occ.treas.gov>.

\* \* \* \* \*

(b) \* \* \* (1) \* \* \* The investment proposal may also be e-mailed to *CommunityAffairs@occ.treas.gov* faxed to (202) 874-4652, or submitted electronically via National BankNet at <http://www.occ.treas.gov>. \* \* \*

69. Amend § 24.6 by:
- a. Revising the introductory text;
  - b. Amending paragraph (b)(1) by removing the phrase "or other targeted redevelopment areas";
  - c. Revising paragraphs (b)(2) and (d)(1);
  - d. Amending paragraph (b)(3) by removing the phrase "or targeted redevelopment area";
  - e. Amending paragraph (b)(4) by removing the phrase "or targeted redevelopment areas";
  - f. Amending paragraph (d)(2) by removing the word "and";
  - g. Amending paragraph (d)(3) by removing the word "previously", and by removing the period and adding "; and" in its place; and
  - h. Adding paragraph (d)(4).
- The revisions and addition read as follows:

**§ 24.6 Examples of qualifying public welfare investments.**

The following are examples of qualifying public welfare investments to the extent they benefit primarily low- and moderate-income areas or individuals as set forth in § 24.3:

\* \* \* \* \*

(b) \* \* \*

(2) Investments that finance small businesses or small farms, including minority- and women-owned small businesses or small farms that, although not located in low- and moderate-income areas, create a significant number of permanent jobs for low- and moderate-income individuals;

\* \* \* \* \*

(d) \* \* \*

(1) Investments that provide credit counseling, financial literacy, job training, community development research, and similar technical assistance for non-profit community development organizations, low- and moderate-income individuals or areas, or small businesses, including minority- and women-owned small businesses, located in low- and moderate-income areas or that produce or retain permanent jobs, the majority of which are held by low- and moderate-income individuals;

\* \* \* \* \*

(4) Investments in minority- and women-owned depository institutions that serve primarily low- and moderate-income individuals or low- and moderate-income areas.

■ 70. Revise Appendix 1 to Part 24 to read as follows:

**Appendix 1 to Part 24—CD-1—  
National Bank Community  
Development (Part 24) Investments**

BILLING CODE 4810-33-P



Comptroller of the Currency  
Administrator of National Banks

## CD-1 - National Bank Community Development (Part 24) Investments

For Official Use Only

OMB Number  
1557-0194

A national bank or national bank subsidiary may make an investment directly or indirectly under this part if the investment promotes the public welfare by benefiting primarily low- and moderate-income areas or individuals under the community development investment authority in 12 USC 24(Eleventh) and its implementing regulation, 12 CFR 24 (Part 24). Part 24 contains the OCC guidelines to determine whether an investment is designed to promote the public welfare by benefiting primarily low- and moderate-income areas or individuals and procedures that apply to those investments. National banks must submit the completed form to provide an after-the-fact notice or to request prior approval of a public welfare investment to the Community Affairs Department, Office of the Comptroller of the Currency, Washington, DC 20219. Please contact the Community Affairs Department at (202) 874-4930 or [CommunityAffairs@occ.treas.gov](mailto:CommunityAffairs@occ.treas.gov) for more information.

### PLEASE PROVIDE THE FOLLOWING INFORMATION ABOUT THE INVESTING BANK.

Bank name:	Mailing address (street or P.O. box):
Bank charter number:	City, State, ZIP Code:
Telephone number	Fax number:
E-mail address:	URL:

### CONTACT FOR INFORMATION:

Name of bank contact responsible for form's information:	Name of bank contact responsible for CD investment (if different):
Mailing address (street or P.O. box):	Mailing address (street or P.O. box):
City, State, ZIP Code:	City, State, ZIP Code:
Telephone number:	Telephone number:
Fax number:	Fax number:
E-mail address:	E-mail address:

### PLEASE INDICATE THE PROCESS THE BANK REQUESTS BY CHECKING THE APPROPRIATE BOX, BELOW.

After-the-fact notice (12 CFR 24.5(a)) - complete sections 1 and 2. ☐

Prior approval (12 CFR 24.5(b)) - complete section 2. ☐

**Section I – After-The-Fact Notice Only (12 CFR 24.5(a))**

**A bank may provide an after-the-fact notice of its Part 24 investment if the bank responds affirmatively to all of the following requirements.**

The bank is 'well-capitalized,' as defined in 12 CFR 24.2(j). Yes ☐ No ☐

The bank has a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System. Yes ☐ No ☐

The bank's most recent Community Reinvestment Act rating is satisfactory or outstanding. Yes ☐ No ☐

The bank is not under a cease and desist order, consent order, formal written agreement, or Prompt Corrective Action directive.  
Yes ☐ No ☐

Including this investment, the bank's aggregate outstanding investments and commitments under Part 24 do not exceed 5 percent of its capital and surplus, unless the OCC has provided written approval of a written request by the bank allowing the bank to provide after-the-fact notices for investments that would raise the aggregate amount of the bank's Part 24 investments beyond 5 percent of its capital and surplus.

Yes ☐ No ☐

The investment does not involve properties carried on the bank's books as 'other real estate owned.' Yes ☐ No ☐

The OCC has not **determined**, in published guidance, that the investment is inappropriate for the after-the-fact notification.  
Yes ☐ No ☐

**Has the bank responded affirmatively to all of the above requirements in order to provide an after-the-fact notice of its Part 24 investment?** [The OCC may have provided written notification that the bank may submit Part 24 after-the-fact notices. If so, please provide the date or a copy of the OCC's written notification.]

Yes ☐ (The bank may make an investment authorized by 12 USC 24(**Eleventh**) and this part and notify the OCC within 10 working days by submitting a completed **after-the-fact** notice.)

No ☐ (The bank must seek prior OCC approval of its investment and submit a completed investment proposal before making the investment.)

**(To complete the after-the-fact notice process or to request prior OCC approval, please proceed to section 2 of this form.)**

## Section 2 — All Requests

**1. Please indicate how the bank's investment is consistent with Part 24 requirements for public welfare investments. under 12 CFR 24.3.**

- a. Check at least one of the following that applies to the bank's investment:

The investment benefits primarily low- and moderate-income individuals.

☐

The investment benefits primarily low- and moderate-income areas.

☐

**2. Please indicate how the bank's investment is consistent with Part 24 requirements for investment limits under 12 CFR 24.4 by responding to the following questions.**

- a. Dollar amount of the bank's investment that is the subject of this submission: \_\_\_\_\_.
- b. Percentage of the bank's capital and surplus represented by the bank's investment that is the subject of this submission: \_\_\_\_\_%.
- c. Percentage of the bank's capital and surplus represented by the aggregate outstanding Part 24 investments and commitments, including this investment: \_\_\_\_\_%.
- d. Does this investment expose the bank to unlimited liability?
- Yes ☐ (This investment cannot be made under Part 24.)
- No ☐

**3. Please attach a brief description of the bank's investment. (See 12 CFR 24.5(a)(3)(i) and (b)(2)(i)). Include the following information in the description.**

- a. The name of the community and economic development entity (CEDE) into which the bank's investment has been (or will be) made.
- b. The type of bank investment (equity, debt, or other).
- c. The activity or activities of the CEDE in which the bank has invested (or will invest). (See examples of qualifying investment activities described in 12 CFR 24.6 (a), (b), (c), and (d).)
- d. How the investment is structured so that it does not expose the bank to unlimited liability, such as by describing the structure of the CEDE (e.g., CDC subsidiary, multi-bank CDC, multi-investor CDC, limited partnership, limited liability company, community development bank, community development financial institution, community development entity, community development venture capital fund, community development lending consortia, community development closed-end mutual funds, non-diversified closed-end investment companies, or any other CEDE) and by providing any other relevant information.
- e. The geographic area served by the CEDE.
- f. The total funding or other support by community development partners involved in the project (e.g., government or public agencies, nonprofits, other investors), if known.
- g. Supplemental information (e.g., prospectus, annual report, Web address that contains information about the CEDE in which the investment is or will be made), if available.



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**4. Evidence of qualification is readily available for examination purposes.**

The bank maintains information concerning this investment in a form readily accessible and available for examination that supports the certifications contained in this form and demonstrates that the investment meets the standards set out in 12 CFR 24.3, including, where applicable, the criteria of 12 CFR 25.23.

Yes ☐ No ☐

**5. Certification**

The undersigned hereby certifies that the foregoing information in this form is accurate and complete. It is further certified that the undersigned is authorized to file this form on Part 24 investments for the bank.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**DESCRIPTION OF THE BANK'S CD INVESTMENT. (See information previously requested)**

*(Type the description of the bank's Part 24 investment here. You may type as much text as necessary. You will have access to all of MS Word's editing features.)*